

FILED

JUN 19 2008

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MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURTUNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISIONPlaintiff(s) Convertors
Falm

Judge Darratt

Case No.

08CV3118 SCC

Defendant(s) Balger

Response to Conversion

I received a summons the other day regarding debt owed to Convertors. I don't disagree I owe Convertors money. However, they neglected to inform that I was making payments to them and they walked away from that.

I would like to give a little background to the situation. I bought the company out of bankruptcy back in 2005. I went to Convertors with a plan to do business with them. They were well aware of my situation. I had asked for a couple days credit so I could produce my product ship it and turn it into my factoring company. Then I would pay them. I worked well in the beginning. Then we fell behind and they extended more credit. Then when we both realized what happened they cut me off. We have not had much communication. I tried to pay \$50K every couple of weeks, but was told that was not good enough. I can pay at this time \$50K or a month. I do not have the funds to pay now. If a lien or judgment goes against me I lose my loan and file bankruptcy. I am asking for an extension to try and ~~work~~ work things out with Convertors.



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June 18, 2008

Dmitry Shifrin
Bryan Cave LLP
161 North Clark Street Suite 4300
Chicago, IL 60601-5000
Case Number 08cv3118rec

Dear Dmitry Shifin,

I received a summons the other day regarding a debt owe to Convertors. I am responding back in letter as requested. I don't disagree that I owe Convertors money. However, they have neglected to inform you that I was making payments to them and they walked away from that.

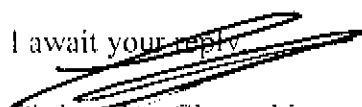
I would like to give a little background to this situation. I bought this company out of bankruptcy back in 2005. I went to Convertors with a plan to be business with them. They were well aware of my situation. I had asked them to give me a couple days of credit so that I could produce my product, ship it, and turn it into my factoring company. Then I would pay them. It worked well in the beginning. Then somehow we fell behind and they extended more credit. Then we both realized what had happened and they decided to cut us off. We did not have much communication between the two of our companies for a period of time. I had tried to pay them \$500 dollars every couple of weeks. That I was told was not good enough. I have not heard from Convertors until I received this summons this morning.

However, I am not able to just right a check because cash is very tight. I still use a factoring company to finance my receivables. I have told them I could send them \$500 a month until the company could show a consistent profit. However, the economy has been going up and down and this had made it very difficult to be consistent. I have never told them I would not pay them. However, I cannot pay more or I will be forced to close the doors and then no one wins or gets paid.

I am not hiring an attorney at this point because I would like to come to some mutual agreement. I am trying to work out a plan that will not put a judgment or lien against my company because this could put my loan with the bank in default and I could lose my loan. Again, then no one wins.

I would like to try and work out a payment arrangement so if possible I would like an extension so we can try and come to a mutual agreement without going to court.

I await your reply.


Christopher Glowacki
President
Cc: Judge Darrah